

***Guide to Local Unit Finances***

*How City of Kalamazoo Spends Your Money*

---

**2016 Citizen's Guide to  
City of Kalamazoo's Financial  
Health**

Presented by

James K. Ritsema, City Manager

## KEY TERMS

- **Budget deficit/surplus.** If there is less money received than paid out in a given fiscal year, there is a budget **deficit** or shortfall. If there is more money received than paid during the fiscal year, a budget **surplus** exists.
- **Debt.** Just like a homeowner takes out a mortgage, governments can borrow money to pay for certain types of projects. The City has both short-term debt (paid back within the fiscal year) and long-term debt. Debt can be either **general obligation** debt, meaning that the City pays back the debt with regular tax collections and other revenues, or **special revenue** debt, which is paid off over time with revenue from specified sources beyond the usual taxes and service fees. **Structured debt** includes the bonds issued by the City for capital improvements and general obligations.
- **Fiscal year (FY).** The 12-month period of time during which budgets are allocated or finances are planned. Most households have a fiscal year that runs from January 1 to December 31 (that's the period for which we pay personal income taxes in April), while state government uses an October 1 - September 30 fiscal year. Some local units of government, including public schools, use a July 1 - June 30 fiscal year, while others operate on a typical calendar year. The City of Kalamazoo's Fiscal Year is on a calendar year (January 1 – December 31).
- **Fund balance.** Once all the bills for the year have been paid out of a certain fund, whatever is left over is called the fund balance. When a fund balance is less than zero, you'll see the number shown with parentheses around it. Deficits cause fund balances to decrease, while surpluses cause them to increase.
- **Reserved/Restricted funds.** Some funds are considered to be "reserved" or "restricted" for a specific purpose, and cannot be spent for anything else.

**Table of Contents**

*Welcome* ..... 1

*How Governments Use Your Money* ..... 2

*Where Citizen Dollars Go* ..... 2

*Services That Governments Provide* ..... 2

*How Taxpayer Money Is Spent:*

*Government Revenues and Expenditures* ..... 4

*Kalamazoo’s Fiscal Health* ..... 9

*Reserves and Major Fund Balances* ..... 9

*Debt Levels* ..... 11

*Pension and Other Retiree Benefits* ..... 12

*How This Report Was Developed* ..... 14

*Data Sources and Notes* ..... 14

*Other Sources and Links* ..... 14

## *Welcome*

---

Greetings,

The City of Kalamazoo is proud to present this 2015 Citizen's Guide to the City of Kalamazoo's Financial Health. This report pulls together data from the City's budget, audited financial reports, as well as internal and external sources regarding the community's physical, educational, and economic health. This report presents the fiscal position of the City's governmental funds, and demonstrates its capacity to meet its public service delivery demands.

Under the leadership of Governor Rick Snyder, this report has been developed and implemented as a way for citizens to better understand the City's scope of activities, financial obligations, and fiscal health. The redesign of the Statutory Revenue Sharing formula to the Economic Vitality Incentive Program (EVIP) requires the City to show accountability and transparency, promote consolidation of services, and provide an unfunded accrued liability plan for public viewing. Citizens have a rightful expectation that the City will do everything it practically can to maintain high-quality public services, while minimizing the requirements for financing these services in the form of taxes and fees on citizens.

Citizens are encouraged to be aware of the facts surrounding these issues and to make informed judgments about the fiscal direction of the City, in the context of prioritizing service delivery. It goes without saying that the proper translation of these issues and the relevant data maximizes the opportunity for citizens to be knowledgeable and engaged, even if engagement comes only by making an effort to be intelligently informed.

The Citizen's Guide, having been promoted by the Governor's Office, is an ideal tool to communicate our financial and public service priorities effectively to the Citizens, Governor's Office, and to our legislative partners.

I am grateful for the support of City staff and the City Commission in making this report possible.

Sincerely,

James K. Ritsema  
City Manager  
City of Kalamazoo

### **OVERVIEW**

The financial information in the Citizen's Guide focuses on the Governmental funds. The City has other funds known as Enterprise funds, which handle Water and Wastewater services, as well as Transportation. These business-type activities are not shown here as they cover their costs through use charges. The City's audited financial reports provide the information in this report.

### **WHERE CITIZEN DOLLARS GO**

In 2016, the City of Kalamazoo is budgeted to collect \$ million in revenues to provide services to its residents. Property tax collections would provide \$33.3 million of these resources, the Federal Government would distribute \$7.8 million in the form of block grants and transportation funds, and the State of Michigan would return \$20.2 million in the form of state revenue sharing, gas & weight taxes, transportation funds and other miscellaneous grants and reimbursements. Revenues from licenses, permits, and fees are generated to offset the cost of building and housing inspections, and recreational programming.

### **SERVICES THAT THE CITY OF KALAMAZOO PROVIDES**

#### ***Police and Fire protection***

The Mission of Kalamazoo Public Safety is to provide a safe community for our citizens. The mission includes the maintenance of order, the promotion of fire prevention and crime prevention programs, the investigations of crimes leading to the apprehension of perpetrators, the recovery of property and the providing of emergency medical services.

#### ***Parks and Recreation***

The vision of the City of Kalamazoo Parks and Recreation is to create a community of neighborhoods where people live, work and play. This is done by being good stewards of the environment, providing dynamic parks, trails, and recreation programs for all citizens, and by promoting youth development initiatives in support of healthy families.

#### ***Community Planning***

The Planning Division is responsible for the implementation and enforcement of the city's zoning ordinance and administers citywide land use policy. The division has recently completed the master land use document, Plan Kalamazoo, and will work to implement the ideals put forth in the document.

The Division works with the Planning Commission, the Historic District Commission, Historic Preservation Commission, Site Plan Review Committee, the Downtown Design Review Committee and our city's neighborhood associations as technical support and as a professional planning resource. Our goal is to make a reality the collective community wisdom that went into the creation of Plan Kalamazoo and to continue to improve the quality of life for all stakeholders.

#### ***Economic Development***

The Economic Development Department implements programs and provides services integral to achieving the goals of the city's Economic Development Strategic Plan. Staff assists in the retention, growth and attraction of business and industry by building relationships with employers, and by anticipating/responding to their needs. Staff's expertise in the use of incentives such as gap financing, tax exemptions and tax credits, land assembly and linkages to workforce development resources is utilized to preserve/enhance tax base and create jobs in the city. The division works with federal, state and local development organizations/agencies to address community reinvestment, job creation, job retention, brownfield redevelopment and riverfront redevelopment. The division provides staffing support to the Brownfield Redevelopment Authority, Economic Development Corporation and Local Development Finance Authority.

## ***Public Services***

The Public Services Department provides a variety of services to operate and maintain the City's facilities and infrastructure. Services of the department include:

### ***Street maintenance and improvements***

Street repair and maintenance activities includes pothole patching, street resurfacing and construction, repair of hazardous or deteriorated drainage structures, shoulder grading, replacement of curb and gutter and 24 hour Major Street bare pavement response during snow and ice season events, storm sewer repair and maintenance, pavement painting and marking, replacement of street signs, and maintenance of traffic signals.

### ***Solid Waste***

Solid waste services include collections of fall leaves, brush, monthly bulk trash collection and residential recycling collection. Also provided is the opportunity for residents to dispose of Freon-bearing appliances and household hazardous waste. Activities performed also improve the appearance and cleanliness of City streets through street sweeping and clean-up of scattered illegal dumpsites.

### ***Public Works***

Public Works services include sidewalk replacement, maintenance of the City's urban forest, and maintenance of the City's Central Business District.

### ***Utilities (Wastewater and Water)***

Utilities provide an environmentally sound, convenient and continuous wastewater disposal service to the public by adequately transporting and treating the wastewater generated in 17 municipalities throughout the Kalamazoo area. Service is provided at a reasonable cost, making certain that the customers receive highly responsive service, quality potable drinking water and wastewater treatment that meets and exceeds existing standards and provides a safe and clean environment.

### ***Cemeteries***

Cemetery services include burials, grave maintenance and restorations, and landscape maintenance within Riverside and Mountain Home Cemetery.

## ***Transportation***

The Transportation Department provides the citizens of Kalamazoo County with public transportation services that are dependable, convenient, safe, cost effective, and accessible for everyone. In August of 2015 a millage request passed in support of public transit service for the Central County Transportation Authority (CCTA). The approved 0.75 mil property tax will support fixed-route bus services currently offered by Kalamazoo Metro Transit. The millage is anticipated to collect an estimated \$3.5 million beginning in the summer of 2016 and will fund increased service hours, Sunday service for most of the bus routes and increased frequencies on some of the busiest routes allowing passengers quicker travel to destinations.

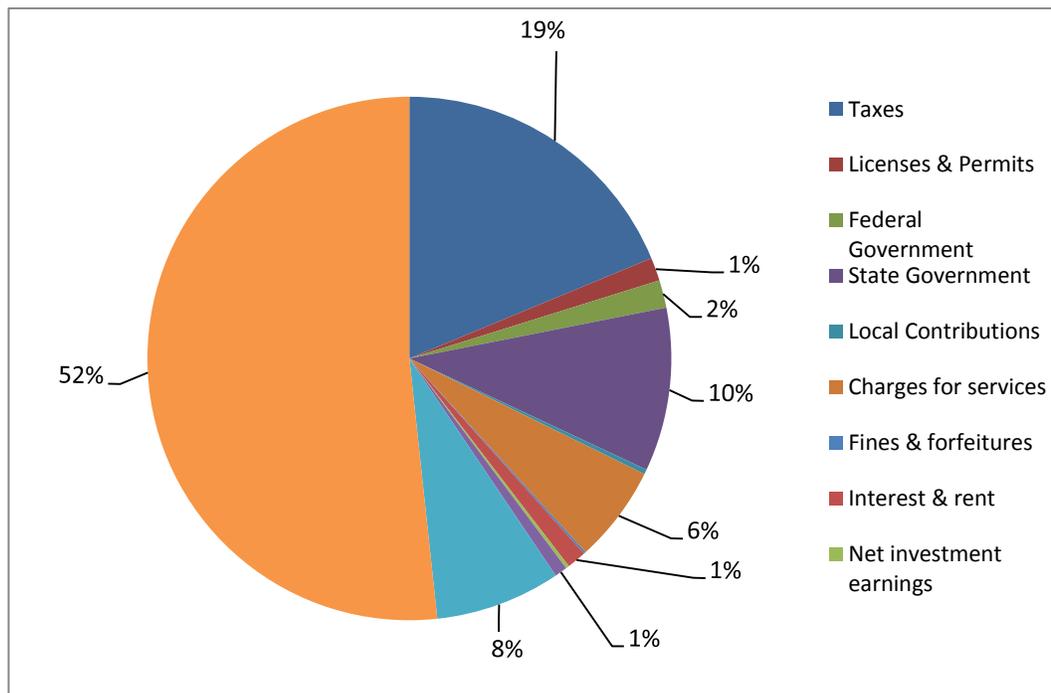
*How Taxpayer Money is Spent:  
Government Revenues and Expenditures*

**GOVERNMENTAL FINANCES:**

**REVENUES:**

Revenues are the resources collected by the City to support its operations. The following charts and graphs provide additional information on the sources of the City’s governmental revenues.

**FIGURE 1**  
**Percentage of City Revenues 2015**



Sale of Debt or Assets is the City’s largest revenue source in FY2015 making up 52% or \$89 million in revenue. This is due to the sale of bonds to fund the OPEB trust and stabilize the cities retiree healthcare costs. State and local revenues contribute 12% of total revenues or \$20.8 million. Together, these categories represent 64% of total city revenues.

Charges for services include building and housing inspections, parks and recreation user fees, governmental administration fees, tax collection fees, and parking reinforcement. Charges for services represent 12% or \$10 million of the City’s revenues.

Net Interfund Transfers are a transfer of resources between “funds” of the City, which are primarily offset by expenses transfers. In 2015, governmental funds transferred in \$13.3 million and transferred out \$9.9 million. The balance of \$3.4 million includes a \$525 thousand in a rebate of savings from the City’s Insurance Fund into the General Fund and transfers for payment of debt.

**FIGURE 2**  
**City Revenue Comparative Years**

<b>Revenues</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015/2014 % change</b>
Taxes	\$ 35,163,954	\$ 32,665,097	\$ 31,172,950	\$ 31,922,256	\$ 32,258,838	1.05%
Licenses & permits	1,897,096	1,641,248	2,060,482	2,183,405	2,464,874	12.89%
Federal	12,855,483	7,637,415	2,914,185	3,169,702	2,942,727	-7.16%
State and Local	15,385,807	14,783,681	16,077,952	15,593,923	17,894,121	14.75%
Charges for services	10,318,577	9,022,197	9,173,002	9,571,894	10,283,027	7.43%
Fines & forfeitures	642,680	280,426	262,385	529,900	222,239	-58.06%
Interest & rent	3,304,621	3,219,392	2,936,162	2,568,116	2,064,308	-19.62%
Net investment earnings	(370,143)	688,741	1,053,215	191,328	(349,763)	-282.81%
Other revenue	1,474,703	1,902,634	1,129,797	1,434,156	1,342,149	-6.42%
Net interfund transfers	16,291,542	11,821,576	11,376,270	11,699,633	13,303,995	13.71%
Sale of debt or assets	5,003,404	4,431,550	4,080,115	5,531,930	88,985,189	1508.57%
<b>Total Revenues</b>	<b>\$ 101,967,724</b>	<b>\$ 88,093,957</b>	<b>\$ 82,236,515</b>	<b>\$ 84,396,243</b>	<b>\$ 171,411,704</b>	<b>103.10%</b>

Property tax revenue increased by approximately 1.05% in 2015 as compared to 2014. This is a sign of slow recovery but overall, the City has experienced a decline in property tax revenues of nearly \$6.7 million since 2009, primarily due to a decline in commercial and residential property values.

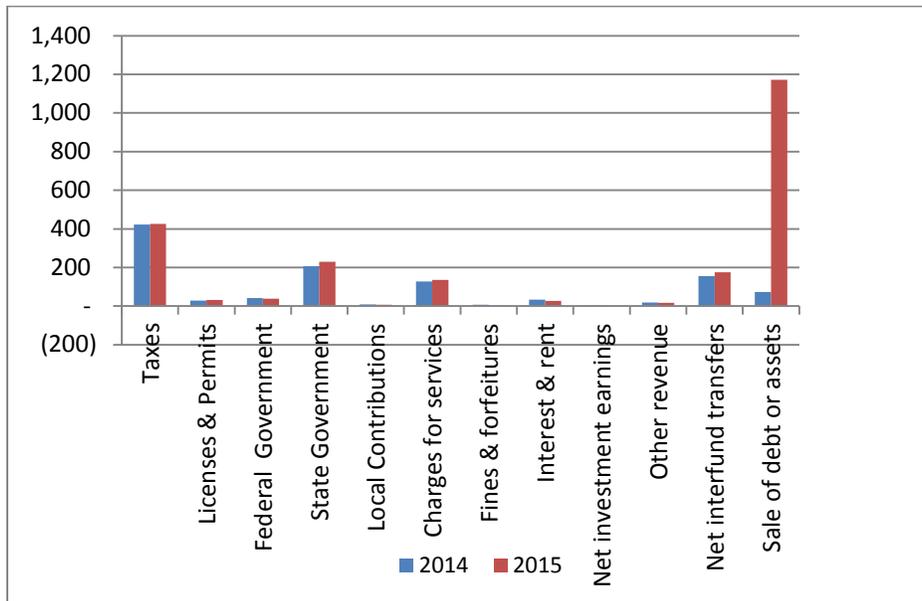
Licenses & permits increased by 12.89% or \$281 thousand as compared to 2014 due to improvements in enforcements, rental inspections, cable TV license fees, and permits.

State Revenue Sharing known as the Economic Vitality Incentive Program increased by 2% from 2014 to 2015 with \$8.5 million in payments. In addition, Fire reimbursement revenue (which is State funding meant to pay for the cost of keeping fire protection at a “ready to serve” level for State facilities located in the City) increased by \$75 thousand, Gas and Weight Tax and other streets revenues increased \$797 thousand.

The fiscal year 2015 decrease in net investment earnings of 282% is based on decreased investment returns in the Cemetery Perpetual Care Fund, the Friends of Recreation Endowment Fund, and the Mayor’s Riverfront Park Fund.

The City sale of debt or assets is primarily related to bond issuances for capital improvements to facilities, equipment and Major and Local street projects. The sale of bonds in 2015 increased by \$83 million compared to 2014 due to the sale of OPEB bonds in order to stabilize the operating budget impacted by the rising cost of retiree healthcare.

**FIGURE 3**  
**Revenue Sources per Capita – Comparison to Prior Year**



The primary source of revenue is property taxes with approximately \$424 collected per person to provide the City’s services. State revenue varies from year to year depending on grants received for service programs, transportation, fire reimbursement and state revenue sharing. There was an increase in state and local revenue of 10.51% and \$1.7 million with per capita revenue of \$213 in 2014 compared to \$235 in 2015.

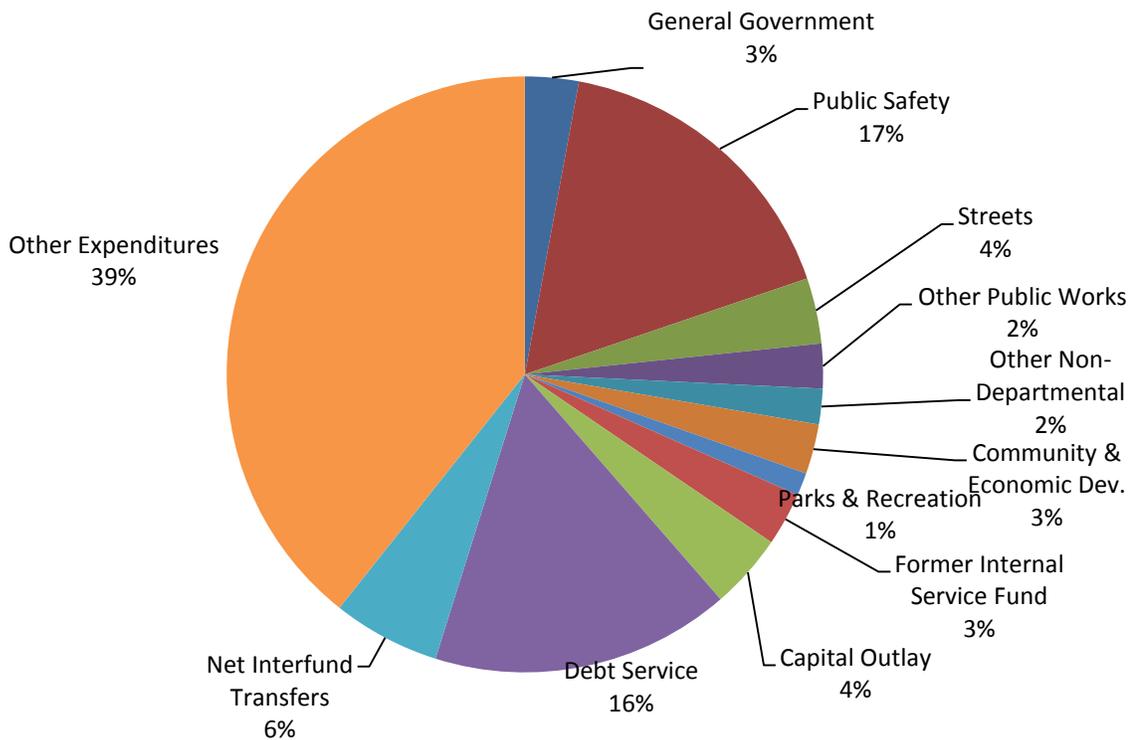
*How Taxpayer Money is Spent:  
Government Revenues and Expenditures*

---

**EXPENDITURES:**

Expenditures are the consumption or disbursement of funds used in support of the City's operations. The following charts and graphs provide additional information on the sources of the City's governmental expenditures.

**FIGURE 4**  
**Percentage of City Governmental Expenditures 2015**



Other expenditures accounted for the largest category in FY 2015 comprising 39% or \$67 million of governmental activities. This is due to the issuance of OPEB bonds which were transferred the OPEB Trust fund established by the city in 2012. The City spent \$6 million on streets and an additional \$4 million on other public works including forestry and sidewalks. Community and Economic development can vary from year to year based activities, and the programs being federally funded. In 2015, these activities represented \$4.6 million in expenses.

Debt service represents 16%, or approximately \$27.6 million of expenses in 2015. This represents the payment of the City's debt obligations for principal and interest on outstanding bonds.

**FIGURE 5**  
**Expenditures Five Year Comparison**

<b>Expenditures</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015/2014 % Change</b>
General Government	\$ 7,618,751	\$ 3,737,918	\$ 3,233,898	\$ 3,427,660	\$ 4,947,565	44.34%
Public Safety	35,476,959	32,805,831	32,188,577	32,709,081	28,739,910	-12.13%
Streets	7,710,563	6,854,998	7,143,870	6,841,434	6,062,550	-11.38%
Other Public Works	5,846,543	5,167,369	5,469,373	5,586,386	4,124,324	-26.17%
Other Non-Departmental	2,560,728	3,161,774	2,793,985	2,254,801	3,285,071	45.69%
Community & Economic Dev.	14,182,010	8,562,088	4,682,899	4,653,733	4,599,775	-1.16%
Parks & Recreation	2,806,755	2,359,248	2,129,592	2,222,040	2,103,538	-5.33%
Former Internal Service Fund	6,083,859	5,724,022	5,750,260	5,829,702	4,922,814	-15.56%
Capital Outlay	3,408,241	1,338,386	2,123,126	1,595,160	6,964,052	336.57%
Debt Service	8,267,767	8,028,365	8,261,467	9,151,744	27,653,348	202.16%
Net Interfund Transfers	9,009,217	9,887,596	10,485,854	9,389,594	9,929,674	5.75%
Other Expenditures	-	-	-	-	66,965,712	n/a
<b>Total Expenditures</b>	<b>\$ 102,971,394</b>	<b>\$ 87,627,595</b>	<b>\$ 84,262,900</b>	<b>\$ 83,661,336</b>	<b>\$ 170,298,333</b>	<b>103.56%</b>

The City implemented an early retirement incentive (ERI) program in the years 2012 and 2013. Reductions as a result of this program can be seen in the various governmental activities, particularly public safety, public works, and parks and recreation.

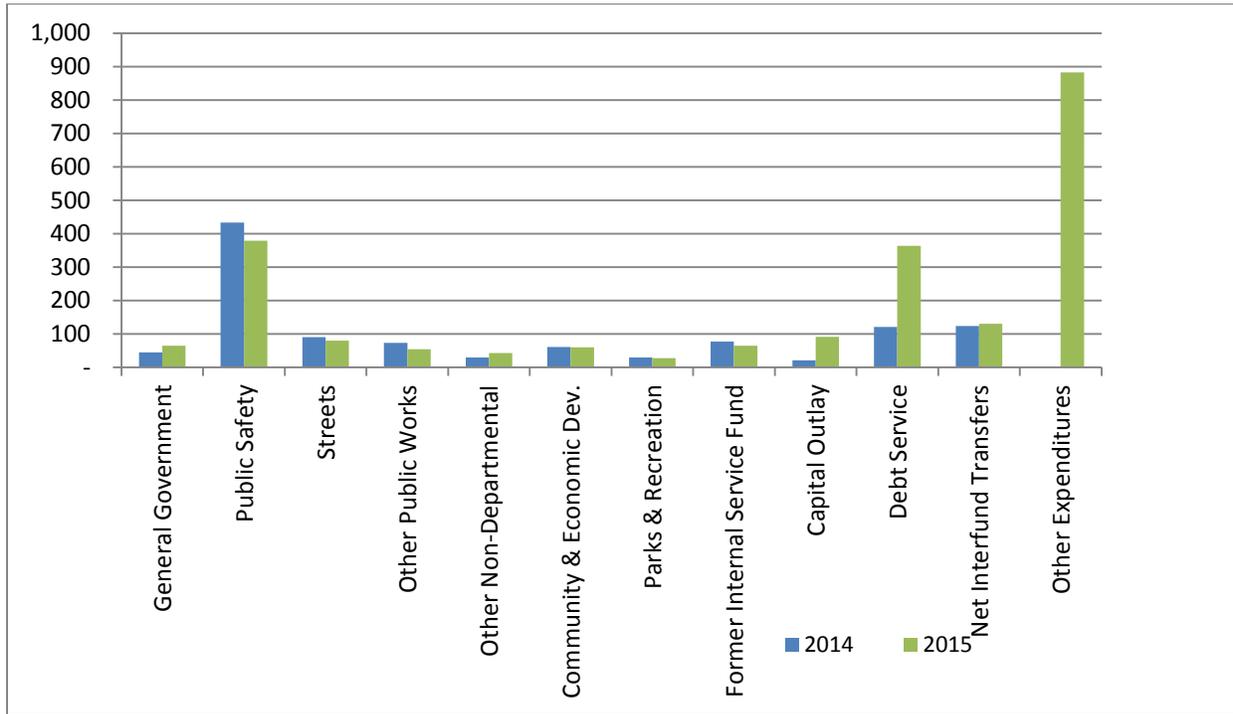
As of the end of fiscal year 2015 Public Safety represents \$28.7 million and 17% of the City's expenditures. Public Safety expenditures decreased by \$3.9 million primarily in salaries and overtime.

Community and Economic Development expenditures have stayed relatively stable at approximately \$4.6 million while streets spending decreased by 11% in 2015 as compared to 2014.

Other non-departmental expenditures increased by \$1.0 million 46% compared to 2014. These expenditures support the City rather than a specific department or program and includes the cost of street light electricity, commission initiatives, and outside contractual services.

Debt service increased by \$18.5 million and 202% due to the OPEB bonding. The other expenditures includes the transfer of bond proceeds to the OPEB Trust to fund retiree healthcare.

**FIGURE 6**  
**Government Spending per Capita Prior Year Comparison**



The majority of government spending is for other expenditures with approximately \$880 dollars spent per Citizen in 2015. Total expenditures per capita are \$2,240 for 2015 compared to \$1,101 in 2014. Government increased overall by \$86.6 million in 2015 which represents the impact of the OPEB bonding.

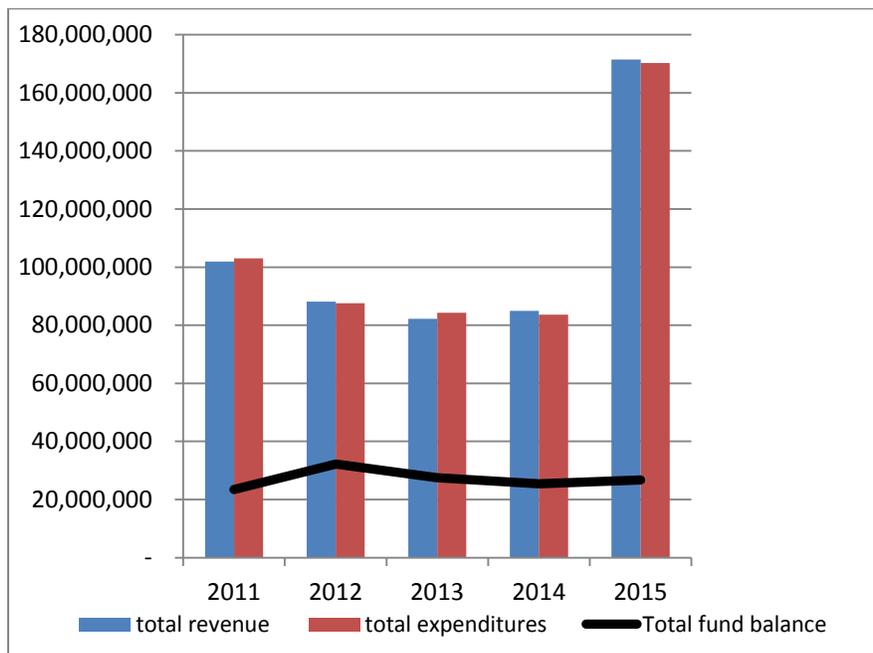
**FUND BALANCES:**

Fund balances are the unspent resources of the governmental funds. Revenues increase fund balance and expenditures decrease the fund balance.

The total Fund balance is comprised of five categories based on the extent to which a government is bound to observe constraints imposed upon the resources reported in each fund.

- The Non-spendable component includes assets that are not available in spendable form or expected to be converted to cash, such as inventory, prepaid expenditures and long-term receivables. It also includes funds that are legally or contractually required to be maintained intact as a permanent fund.
- Restricted funds include amounts to be used for a specific purpose, including the cemetery perpetual fund, Act 51 road monies, friends of recreation endowment, and grants/donations. The constraints are externally imposed and required to be set aside by creditors, grantors or legislation.
- Committed and Assigned funds are amounts set aside for a specific purpose by the City Commission. These funds are used for capital projects, economic development programs, and subsequent year's expenditures.
- The remaining amount of unassigned funds represents the amount in the General Fund that is remaining after all restrictions, commitments, and assignments have been made.

**FIGURE 7**  
**Governmental Fund Balance**



As of the end of 2015 fiscal year, the City's Governmental funds reported a combined fund balance of \$27.9 million. Approximately \$6.5 million of the total fund balance is available for spending at the government's discretion ("unassigned fund balance").

The peak in fund balances noted in 2011 is due to the consolidation of separate internal service funds, which added approximately \$2.5 million in additional Governmental funds. The second peak noticed in 2015 is due to the OPEB bonding.

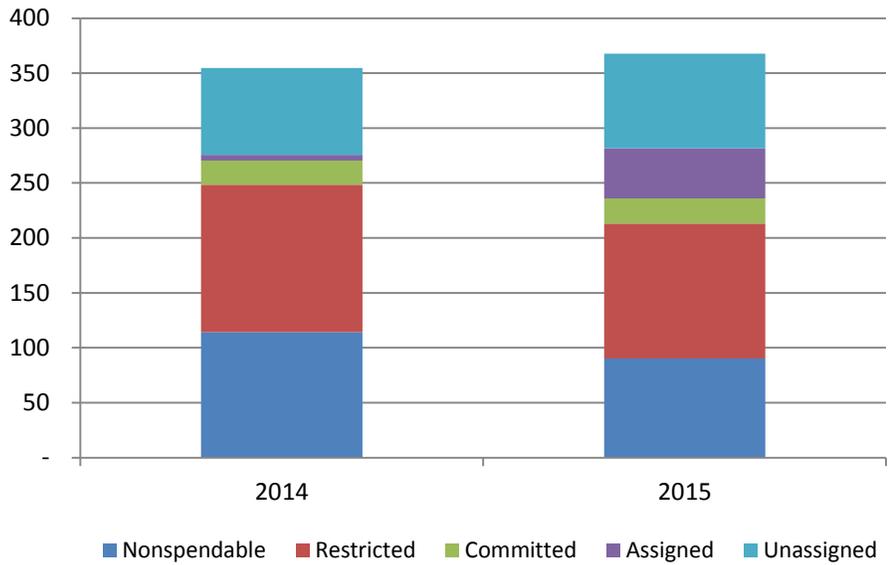
**FIGURE 8**

**Governmental Fund Five Year Comparison**

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015/2014 % change</b>
Revenue	101,967,724	88,093,957	82,236,515	84,994,709	171,411,704	102%
Expenditures	102,971,394	87,627,595	84,262,900	83,661,336	170,298,333	104%
<b>Surplus (shortfall)</b>	<b>(1,003,670)</b>	<b>466,362</b>	<b>(2,026,385)</b>	<b>1,333,373</b>	<b>1,113,371</b>	<b>-16%</b>
Fund balance, by component:						
Nonspendable	14,253,624	9,324,851	8,412,446	8,626,327	6,841,619	-21%
Restricted	9,788,564	9,630,830	10,419,028	10,133,623	9,337,109	-8%
Committed	2,886,765	1,545,097	1,710,413	1,660,293	1,741,297	5%
Assigned	-	3,503,397	922,527	403,248	3,459,061	758%
Unassigned	5,325,787	3,557,092	3,921,706	5,975,442	6,533,218	9%
<b>Total Fund Balance</b>	<b>32,254,740</b>	<b>27,561,267</b>	<b>25,386,120</b>	<b>26,798,933</b>	<b>27,912,304</b>	<b>4%</b>

The decrease in the Non-spendable fund balance of \$285 thousand or 21% is attributed to the collection of notes receivable and advances. The 8% reduction in restricted fund balances is due to incremental changes in restricted balances across the funds most noticeably in Streets, Solid Waste and Drug Enforcement. Committed fund balance increased by 3% primarily due to capital improvement plans for Cemeteries. The assigned fund balance is the amount set aside in General Fund for the subsequent year's expenditures. The increase is due to additional encumbered expenses compared to FY 2014. The Unassigned fund balance had a 9% increase in 2015 as compared to 2014.

**FIGURE 9**  
**Governmental Fund Balance Per Capita – Compared to Prior Year**

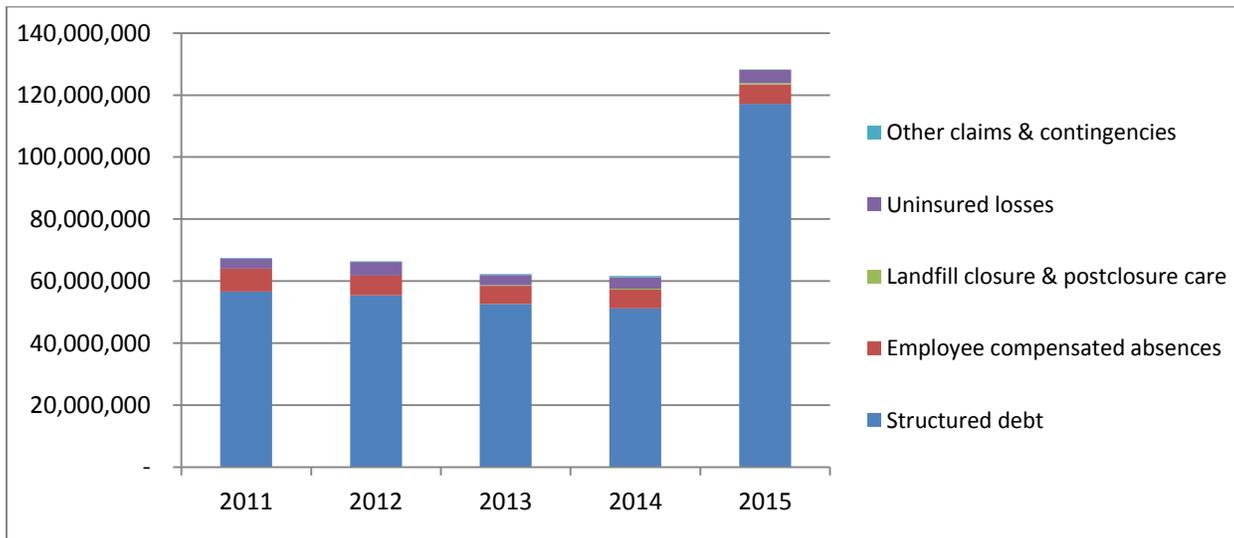


As of the close of the fiscal year 2015 the City's governmental funds had approximately \$27.9 million or \$367 per citizen. The Unassigned funds are approximately \$6.5 million or \$86 per citizen.

**DEBT LEVELS**

The debt of the City is made up of funds borrowed in the form of bonds, commitments to employees for compensated absences such as sick leave or vacation, and other uninsured closes or claims.

**FIGURE 10**  
**Long Term Obligations**



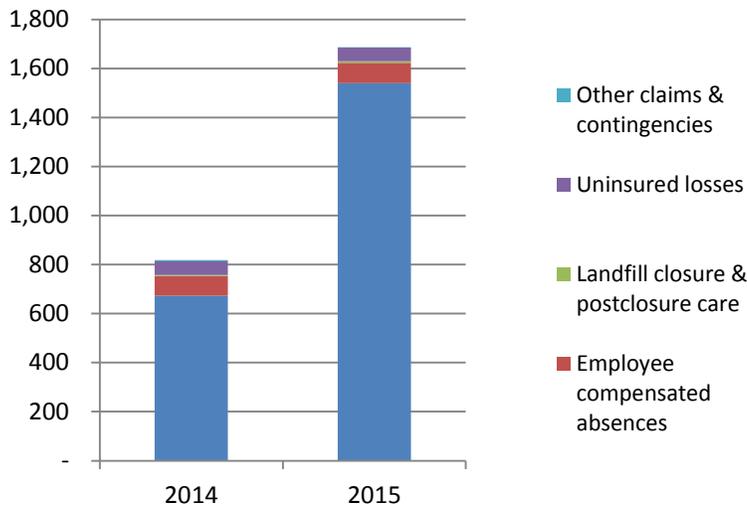
The City's long term obligation at December 31, 2015 totaled \$128 million. The City's balance of bonded debt (structured debt) increased by \$66 million in 2015 as compared to 2014 due to the issuance of OPEB bonds.

Employee compensated absences represent accrued sick, vacation, and other leave time employees have earned, but have not used. At the end of 2015, the City owed employees \$6.3 million for these balances, up \$221 thousand from 2014.

The City self-insures for health care, workers' compensation, and various other claims and liabilities. Estimated uninsured losses include both reported and unreported claims. At the end of 2015, these obligations totaled \$4.26 million representing no increase from 2014.

**FIGURE 11**

**City Debt and Other Long Term Obligations per Capita**



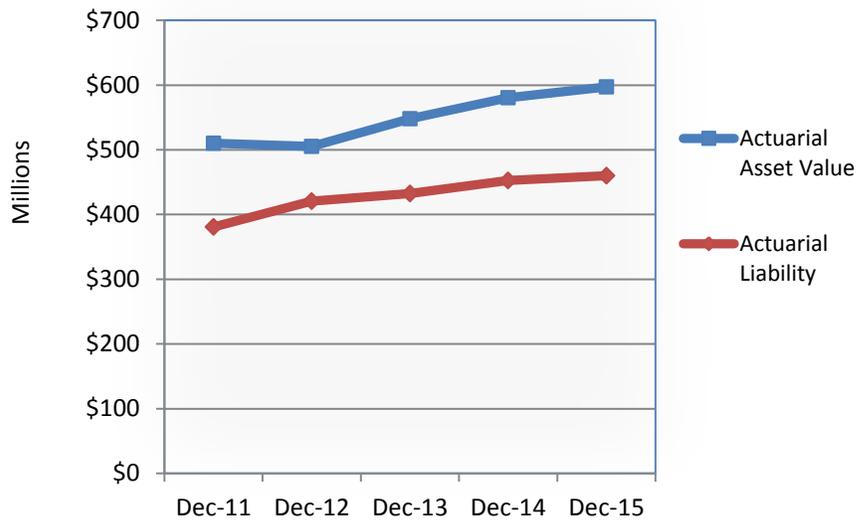
As of the end of fiscal year 2015 the City's total debt per capita is \$1,686 per citizen, with \$1,540 being structured debt.

**PENSION AND OTHER RETIREE BENEFITS**

The City provides its employees with a defined pension benefit upon retirement from the City. Employees are required to contribute between 1.0 to 6.5% of annual compensation to the System.

The City also provides retiree health care benefits to employees hired prior to 2008. These benefits are referred to as OPEB, or Other Post-Employment Benefits.

**FIGURE 12**  
**City of Kalamazoo Pension Funding Status**



The Pension System in the City of Kalamazoo is fully funded as indicated in the graph. As of the end of fiscal year 2015 the asset value was \$597 million compared to an estimated liability of \$460 million, making the City's Pension System one of the top-funded systems in Michigan.

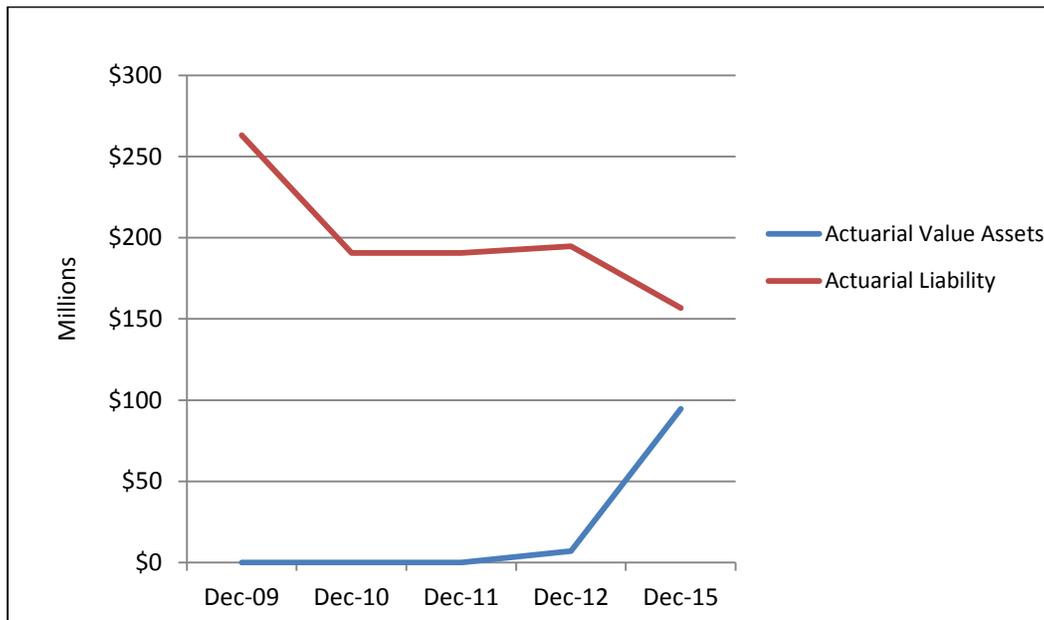
The Pension System's investments are managed by the Retirement Investment Committee, a group of prominent investment expert volunteers. The pension system's investments have performed incredibly well since the Committee's inception in 1982, averaging over 12% real rate of return. Due to its well-funded status, since 1997, the city has not been required to make contributions to the Pension System.

**FIGURE 13**  
**City of Kalamazoo Annual Pension Costs**

	As of December 31, 2015			
	2012	2013	2014	2015
Actuarial Value of Assets	\$ 505,234,953	\$ 547,923,629	\$ 580,220,033	\$ 596,998,070
Actuarial Value of Liability (AAL)	\$ 420,711,365	\$ 432,148,526	\$ 452,381,149	\$ 460,133,623
Overfunded AAL (OAAL)	\$ 84,523,588	\$ 115,775,103	\$ 127,838,884	\$ 136,864,447
Funded Ratio	120%	127%	128%	130%
Annual Covered Payroll	\$ 36,538,969	\$ 36,331,892	\$ 37,198,788	\$ 37,291,474
Ratio of OAAL to Covered Payroll	231.3%	318.7%	343.7%	367.0%

For the year ended December 31, 2015 the City's annual pension cost was \$-0-. The estimated annual required contribution was determined as part of an actuarial valuation at December 31, 2015, using the individual entry age method. Significant actuarial assumptions used include (a) a 7.5% investment rate of return (b) projected salary increases of 4.0% per year compounded annually, attributable to inflation (c) additional salary increases ranging from 4.0% to 12% per year depending on age, seniority and merit, and (d) assumption benefits will not increase after retirement.

**FIGURE 14**  
**Kalamazoo Other Post-Employment Benefits (Retiree Health Care)**



The City has achieved complete a graduated plan to require all active employees to pay for 20% of their total health care costs. This has been accomplished through collective bargaining with employee bargaining units, and also administratively with non-bargaining employee policies. This initiative has generated cost savings of over \$17 million for the City since its inception in 2005 and over \$4 million per year starting in 2013.

The OPEB trust is 60% funded with assets of approximately \$95 million with an Actuarially Accrued Liability (AAL) of \$157 million. In January 2015 the City issued \$90 million of bonds to finance the City’s retiree health care liabilities, and has committed to making annual fixed contributions of \$3.5 million to the City’s OPEB Trust Fund to finance the balance of the liabilities over the next 30 years. The City has signed agreements with the union bargaining units to ensure that retiree health care benefits will be revisited periodically, and ensure the OPEB Trust Fund can afford to pay the cost of retiree health care without additional contributions from the City’s operating funds.

*How This Report Was Developed*

This report is offered for the purpose of enabling a civic spirit and for building a common understanding between the public, their elected City servants, and the administration. Achieving these objectives will lead to better decision-making and the greater fulfillment of the City’s strategic vision.

**DATA SOURCES AND NOTES**

The City’s audited financial statements were the basis for the data included in this report. These statements can be reviewed on the City’s web site at the following location:

<http://www.kalamazoo.org/portal/government>